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Details

Reports

File #: 18-8 Version: 1 Name:
Type: Contract Status: Multi-Year Contract
File created: 1/8/2018 In control: [City Council](#)
On agenda: 1/23/2018 Final action:

Title: To approve a Multi-Year Agreement to purchase a ShoreTel Phone System. Approve a Sole Source Resolution waiving competitive bidding to use Five9 Cloud Contact Center platform through Verteks Consulting, Inc., an approved re-seller using the NASPO Valuepoint (formerly WSCA/NASPO) Master Contract Number AR627. To approve a Resolution Amending the Fiscal Year 2018 Budget through the use of General Fund Contingency. Authorize the City Manager to finalize all terms and execute and sign all required contracts.

Attachments: 1. [ShoreTel VCIQ12058-01 QuoteValet 2017-12-12 3-53.03pm](#), 2. [Five9 VCIQ12138 QuoteValet 2017-12-20 2-38.56pm](#), 3. [1420829193 Data Comm 14-19-ShoreTel AR627 Master Agreement-140317 \(2\)\(1\).pdf](#), 4. [Estimate 4970 from Florida High Speed Internet](#), 5. [Budget Resolution FY 2018.pdf](#), 6. [5 Nine Sole Source.pdf](#), 7. [ShoreTel Reseller List 12-2017.pdf](#), 8. [BAF-CM-GF Shoretel phone \(1-23-17\)~Agenda 18-008 - FY18.pdf](#), 9. [~BAF-UT-ShareTel phones \(1-23-18\) ~Agenda 18-008 - FY18.pdf](#), 10. [Artemis SIP quote.pdf](#), 11. [Mitel SIP Proposal - City of Cocoa.pdf](#)

History (0) Text

CITY COUNCIL AGENDA ITEM

Memo Date: **January 8, 2018**
Agenda Date: January 23, 2018
Prepared By: Robert Beach, Chief Technology Officer
Through: Matthew Fuhrer, Assistant City Manager
Requested Action:

To approve a Multi-Year Agreement to purchase a ShoreTel Phone System. Approve a Sole Source Resolution waiving competitive bidding to use Five9 Cloud Contact Center platform through Verteks Consulting, Inc., an approved re-seller using the NASPO Valuepoint (formerly WSCA/NASPO) Master Contract Number AR627. To approve a Resolution Amending the Fiscal Year 2018 Budget through the use of General Fund Contingency. Authorize the City Manager to finalize all terms and execute and sign all required contracts.

BACKGROUND:

The City of Cocoa currently utilizes a Mitel phone system that is hosted by Morse Communications under contract through March 2018. The current agreement was approved by City Council for a 3-year term and was put into operation in March 2015. Over the course of the contract term, numerous service related issues were addressed and additional resources and technology were required to make the system functional beyond the initial expected investment. The hosted solution was intended to provide a turnkey solution that would result in less involvement and management from the City's Information Technology staff, thus freeing up resources for other functions.

Although the intention of moving to a hosted phone solution was to relieve support pressure from IT while reducing costs, the opposite has occurred. IT now spends much of its time opening and investigating support issues with the provider and cannot perform simple move, add, or change requests with regard to phone system users. Everything must be performed through the hosting vendor which creates a bottleneck in real world operations. Additionally, the hosted phone system has proven to be unreliable as it experienced an extended outage during Hurricane Irma's EOC activation due to a power outage at the hosting site.

The proposed new system will provide a reliable, on-site, solution that would be managed by the City's Information Technology staff. This on-site solution will provide greater reliability, greater control, and quicker turnaround times for move, add, or change requests. This new system would include installing multiple servers, software, and handsets in all City buildings. The servers would be virtualized and replicated on separate environments to ensure operational functionality and dramatically reduce the risk of an organization wide phone system outage in the event of a hardware failure. Additionally, the new system will leverage the City's extensive fiber-optic network for voice data transport, providing it a very stable and high-speed environment from which to operate.

The current hosted phone system costs the City approximately \$8,866.84 per month to operate. This monthly expense was calculated by taking the average of the last 12 months lease payments and usage. Below is a breakdown of the expenses related to the operation of the current Mitel Hosted Phone System.

Mitel Hosted Phone System Recurring Costs

	Monthly	Annual
Monthly Lease and Usage Expense (Average)	\$8,033.51	\$96,402.12
Dedicated Circuit for VoIP Traffic	\$833.33	\$10,000.00
Total Recurring Costs	\$2,557.50	\$106,402.12

Information Technology contacted several telephone vendors and requested technology performance demonstrations and budgetary pricing to replace the current hosted solution. Verteks Consulting, Inc. is an approved re-seller and installer of the ShoreTel phone system and was the only provider who could demonstrate the ability to meet all the City's needs. Below is a breakdown of the proposed phone system and additional related costs that contribute to the total cost of the telephone system.

New Phone System One-Time Expenses

ShoreTel Phone System	\$169,632.64
Five9 Cloud Contact Center Platform	\$7,030.00
Total One-Time Expenses	\$176,662.64

New Phone System Maintenance (Every 3 Years)

ShoreTel Phone System Maintenance	\$33,317.70
Total Maintenance	\$33,317.50

New Phone System Recurring Costs (Budgeting March-Sept)

	Monthly	Annually
Five9 Cloud Contact Center Subscription	\$1,565.00	\$18,780.00

FLHSI SIP Channels (50)	\$982.50	\$11,790.00
Total Recurring Costs	\$2,547.50	\$30,690.00

Based on the expenses outlined above, the breakeven return on investment for the proposed new phone system would be 34 months after the initial purchase. After breakeven, the City would enjoy annual operating savings of \$67,545.50 per year for the remainder of the useful life of the phone system.

Information Technology has evaluated several different manufacturers and vendors to find the best solution to meet the City's unique needs. The proposal from Verteks Consulting, Inc. provides a complete solution that includes hardware, software, maintenance services, technical support, voicemail, faxing, conference bridges, softphones, mobility features, and a cloud based contact center platform. Florida High Speed Internet is in the unique position to be able to deliver SIP calling paths directly over the City's fiber optic network due to our existing public/private partnership approved by Council earlier this year. This fiber based delivery of SIP channels will ensure a very high-level quality of service and availability. The proposed phone system is currently in use in a number of local government service organizations to include the St. John's Water Management District and the City of Clermont.

In addition to a new IP based phone system, a number of contact call center software providers for utility billing customer service were evaluated. Both members from the City's IT staff and customer service utility billing evaluated various software providers to determine the best software for our needs. In addition to the evaluation of software, demonstrations were conducted and the Five9 Cloud Contact Center Software was selected based on the flexibility and ability to accommodate all the customer service needs. The Five9 cloud based software is widely used in call centers and will improve the efficiency and management of the division resulting in an improved customer service experience.

STRATEGIC PLAN CONNECTION:

Fiscal Sustainability, Goal 1, Objective 1, 1.1(d): A one-time capital investment in the equipment necessary to own and operate the City's telephone communications network is estimated to result in a return on investment vs. the existing system in less than 3 years as well as provide improved up-time and service response.

BUDGETARY IMPACT:

Budgeted?

Insufficient

Source of Funds:

Budgeted:

Operating 421-4020-536.52-00 - \$3,288

Operating 421-4120-536.52-00 - \$1,998

Operating 421-4125-536.52-00 - 1,290

Transfer From:

General Fund Contingency 001-1600-513.39-00 - \$167,505

Rental/Leases 001-1103-516.44-00 - \$43,435

Repairs & Maintenance 421-4025-536.46-00 -\$10,368

Total: \$227,884

Budgeted:

Operating 421-4020-536.52-00 - \$3,288

Operating 421-4120-536.52-00 - \$1,998

Operating 421-4125-536.52-00 - 1,290

Transfer To:

Operating 001-1103-516.52-00 - \$131,724

Repairs & Maintenance 001-1103-516.46-00 - \$33,318

Contract Services 001-1103-516.34-00 - \$38,950

Communication 001-1103-516.41-00 - \$6,948

Operating 421-4025-536.52-00 -\$10,368

Total: \$227,884

PREVIOUS ACTION:

None

RECOMMENDED MOTION:

To approve a Multi-Year Agreement to purchase a ShoreTel Phone System. Approve a Sole Source Resolution waiving competitive bidding to use Five9 Cloud Contact Center platform through Verteks Consulting, Inc., an approved re-seller using the NASPO Valuepoint (formerly WSCA/NASPO) Master Contract Number AR627. To approve a Resolution Amending the Fiscal Year 2018 Budget through the use of General Fund Contingency. Authorize the City Manager to finalize all terms and execute and sign all required contracts.